

FISCAL NOTE

SB 3136 - HB 3590

March 10, 2006

SUMMARY OF BILL: Makes changes to the existing code related to the power of state and local government's exercise of eminent domain. Such changes include increasing the time frames for notification, objections to court filings, and challenges to condemnation. Stipulates that no interest shall accrue on any funds that are required to be deposited with the court clerk. Requires any property acquired through eminent domain that is not used for a public purpose to be declared surplus property and be sold at auction.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$100,000

Increase State Revenues – Less than \$100,000

Increase Local Govt. Expenditures – Exceeds \$100,000*

Increase Local Govt. Revenues – Less than \$100,000

Assumptions:

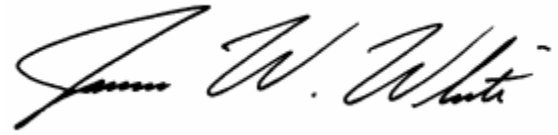
- State and local governments exercising the power of eminent domain will pay more for some property.
- There will be an increase in the cost to state and local governments due to delays and dispute resolution.
- Increased litigation costs.
- There will be an increase in state and local government revenues resulting from the provision in the bill that requires the owner of property to pay any costs for a condemnation proceeding in which the award is less than half of the required deposit to county clerks.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

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This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director